GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5187
ANSWERED ON:11.05.2007
CORRUPTION CASES IN BANKS
Athawale Shri Ramdas

Will the Minister of FINANCE be pleased to state:

(a) whether the Central Vigtiance Commission has detected some corruption cases in the working of banking system during the last three years;

(b) If so, the deiails thereof and the action taken thereon; and

(c) the steps taken oy the Government to check such corruption in banks?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) &. (b) The Central Vigilance Commission(CVC) does not have its own investigation wing and it tenders advice on the basis of investigation reports received from Chief Vigilance Officers (CVOs) of Public Sector Banks. As and when it its observed that any irregularity or inapprcpriate action on the part of bank officiais has taken place due to systemic failure, the Commission issues appropriate guidelines to plug such loopholes. The Commission also tenders advice iin respect of vigilance cases relating to officers of scale V and above o: public sector banks. The Commission has advised imposition of major penalty against 294, 52 and 90 officers during the years 2004, 2005 & 2006 respectively and miner penalty against 199, 78 and 34 officers during the same period.

(c) Reserve Bank of India as a part of its supervisory process has been sensitizing banks from time to time about the common fraud prone areas and the measures to be taken by them to prevent /reduce the incidence of frauds/corruption in banks. Each public sector bank has a vigilance department headed by a Chief Vigilance Officer(CVO), who is appointed from outside the bank, to provide a link between the banks and the Central Vigilance Commission.